

Maryland Lottery and Gaming Control Agency

Wes Moore, Governor • John Martin, Director



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TO: Maryland Lottery and Gaming Control Commission
John Martin, Director

FROM: Solomon Ramsey, Managing Director, Sales and Marketing

DIVISIONS: Sales and Marketing

DATE: June 20, 2024

SUBJECT: Report for the June, 2024 Commission Meeting

Following is the status update of ongoing and special projects in Sales, Product Development and Creative Services, for May.

1. Sales

May 2024, Year over Year Comparison Product Category by Store Segment

		Draw	Monitor	Fast Play/Instant	Combined
STATE	2024	\$76,097,097	\$54,562,238	\$102,746,963	\$233,406,297
	2023	\$75,559,350	\$53,006,519	\$102,805,525	\$231,371,394
	Difference	\$537,747	\$1,555,719	(\$58,562)	\$2,034,904
	%YoY +/-	0.7%	2.9%	-0.1%	0.9%
INDEPENDENT	2024	\$54,157,423	\$45,592,207	\$60,932,906	\$160,682,535
	2023	\$55,340,817	\$44,511,247	\$61,833,633	\$161,685,697
	Difference	(\$1,183,394)	\$1,080,959	(\$900,727)	(\$1,003,162)
	%YoY +/-	-2.1%	2.4%	-1.5%	-0.6%
	% of State Sales	71.2%	83.6%	59.3%	68.8%
CORPORATE	2024	\$21,939,674	\$8,970,031	\$41,814,057	\$72,723,762
	2023	\$20,218,534	\$8,495,271	\$40,971,892	\$69,685,697
	Difference	\$1,721,141	\$474,760	\$842,165	\$3,038,065
	%YoY +/-	8.5%	5.6%	2.1%	4.36%
	% of State Sales	28.8%	16.4%	40.7%	31.2%

Instant ticket sales are based on recorded weekly settlements and may not agree with other Instant ticket sales displayed in other reports that may reflect activations or validations.

a) Sales Management

i. Key accomplishments last period:

1. The monthly sales meeting was conducted virtually May 15, 2024.

- a. Five (5) scratch offs were launched, featuring \$1, \$2, \$5, \$10 and \$20 price points.
- b. In conjunction with our instant products, we highlighted two promotions in the form of our *Racetrax Triple Crown \$6 for \$5* and *Buy Multi-Match, Get Free Cash4Life*. In addition, we reviewed two upcoming second chance promotions for our national jackpot games in our *NASCAR Powerball Playoff* and *Mega Millions Team USA* second chance promotions.
2. District Managers with the best sales by region/territory (year-over-year) for March:
 - Bryan Byers T-12
 - Chuck Hamrick T-25
 - **Rob Austera** **T-33** (Awarded the DM of the month)
 - Steve Corbin T-45
3. Launch Team initiative meeting was conducted. This month's focus was on the development of a strategic sales plan for our June instant games.
4. Execution of our strategic sales plan for the launch of *CASH POP*.

ii. Upcoming tasks for this period:

1. Planning, preparation and execution of launch strategies and initiatives for the July instant ticket launch. We will be launching five (5) tickets: \$1, \$5 (2), \$10 and \$20.
2. Continued preparation and communication of upcoming retailer sales and cashing commission changes that go into effect on June 1.
3. Planning underway for upcoming 2024 retailer holiday bonus program which will coincide with the launch of our holiday instant tickets in October.

b) Field Activities

i. Key accomplishments last period:

1. District Managers made 7,853 retailer communication contacts during May, which includes store visits, phone calls and emails.
2. District Managers successfully executed the sales plan for the May 6th launch of our newest daily draw game, CASH POP.
3. The Sales Department supported selling with our retailer at 1 event: Wine in the Woods in Columbia on 5/18 & 5/19.

ii. Upcoming tasks for this period:

1. The Sales Department will be supporting selling with our retailer at 1 upcoming event: Capital Jazz Fest on 6/8 & 6/9.
2. District Managers continue updating contact information (email and cell phone numbers) as well as store photos.
3. Sales continues to work with the OAG to terminate inactive retailers and recover lottery equipment.

c) Retail Recruitment

i. Key accomplishments last period:

1. Recruitment results: Seventeen (17) new independent applications were submitted by retailers in the month of May. Ten (10) independent applications were processed and locations installed in the month of May.

ii. Upcoming tasks for this period:

1. We continue monitoring turnaround time for application processing to allow us to identify any issues or possible areas of improvement which in turn will facilitate more efficient processing.

2. Recruitment will continue to focus on high foot traffic locations and chain accounts where rapid development and retailer expansion opportunities exist.

d) Sales Support/Self-Service Vending Units

i. Key accomplishments last period:

1. Preparation for and execution of merchandising initiatives for our June instant ticket launch which includes development of POS as well as identification of both types and quantities of pieces to be distributed to the field.
2. We have moved the merchandising pilot program for our vertical jackpot towers forward and have ordered the units. We expect receipt of the units in September and will prepare a distribution plan accordingly.
3. In conjunction with our Regional Management team, we continue vetting, planning and allocating PHD and PEX self-service units.
4. Completed all end of fiscal year ordering and began final reconciliation of Sales Department budget for FY23. Started budget and forecasting process for FY24.

ii. Upcoming tasks for this period:

1. Continued vetting, scheduling and distribution of the self-service units.
2. Continued planning for two merchandising pilot programs to include: digital menu board displays for instant tickets; vertical format jackpot towers for self-service units.
3. Planning and preparation for the upcoming Baltimore Ravens season. This includes budget planning and allocation; development and design of promotional items; ordering of large-scale promotional items such as t-shirts to support our selling at Ravens home games and other stadium events; Working with our Creative Services department on point of sale advertising development which includes identification of both types and quantities of pieces to be distributed to the field.

e) Corporate Sales

i. Key accomplishments last period:

1. Fiscal YoY Performance (as of 5/31/24):
 - a. FY '24- \$808,375,935
 - b. FY '23- \$770,768,547
 - Up 5%
2. Ongoing discussions with the stakeholders in respective chains to work on improvements for inventory replenishment with vending locations. Continued conversations are being had regarding the implementation of delegated tasks for their store associates to complete this task on a proposed regular basis.
3. The Corporate Sales Team worked with corporate partners to discuss potential partnerships for joint promotions for the second half of the fiscal year.
4. Executed business reviews with the following corporate chains:
 - a. High's of Baltimore
 - b. Giant Foods
 - c. Safeway
 - d. Walmart
 - e. Sheetz
 - f. Harris Teeter
 - g. Dash-in

ii. Upcoming tasks for this period:

1. Corporate is onboarding two new corporate retail partners:
 - a. Primanti Brothers (Primanti Corporation)

- b. Wicomico County Liquor Control Board
- 2. Work with the following corporate partners on potential second chance promotions in their locations:
 - a. Royal Farms
 - b. Sheetz
 - c. High's of Baltimore
 - d. Giant Foods
 - e. Walmart

f) Sales Force Automation

i. Key accomplishments last period:

- 1. Gem Office:
 - a. The masking of personal information using an asterisk is now complete and functioning as desired.
 - b. We have seen system issues with log in errors and or errors in general. The vendor is working on the issue and hopes to have an update soon.
- 2. Gem Intelligence:
 - a. New Surface Go units have been distributed to 100% of the field sales staff. All are functioning as they should with no major issues to report. Field staff has advised they are much faster and have lessened communication issues. We will continue to monitor and solicit feedback.
- 3. Gem Retailer:
 - a. The program updating to accommodate the new commissions set forth by the MD Legislation. This needs to be completed by 06/03/24.
 - b. We have identified an issue with the invoices on gem retailer not matching GMS (Cash POP sales were not being calculated properly). Vendor is working on a fix.
- 4. Training
 - a. The new District Manager was successfully trained and is now operating on their own in Territory 17.
 - b. Sales training manager is preparing a training schedule for the upcoming onboarding of a Special Assignments Rep with a start date of 6/5.

ii. Upcoming tasks for this period:

- 1. Follow up and work with vendor to address system errors and invoice corrections.
- 2. Complete onboarding and training of new Special Assignments Rep.

2. Product Development

a) Scratch-Off Products and Promotions

i. Key accomplishments last period:

- 1. June Scratch-Off Launch (6/17/24):
 - \$3 – *Diamond Bingo 5th Edition*
 - \$5 – *Lots of Cash*
 - \$10 – *Win \$50, \$100 or \$200 2nd Edition*
- 2. Soft Launch (6/17/24):
 - \$10 – *\$100,000 Crossword 8th Edition*
- 3. *Multiplier Family of Games Second-Chance Promotion*: The fourth drawing for one winner of \$50,000 cash was held on 6/11/24; as of 6/10/24 15,801,862 entries were received.

4. *PAC-MAN™ Second Chance Promotion*: The final drawing for one winner of a PAC-MAN™ Pixel Bash Arcade Unit with White Glove Delivery Service was held on 5/28/24; 201,847 entries were received.
5. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
553	\$30	\$100,000 Lucky	61,818,090	48,489,659	\$13,328,431	4/29/2024
600	\$5	Power Spot Multiplier	19,549,330	14,023,691	\$5,525,639	4/29/2024
616	\$10	Six Figures	26,102,170	19,351,271	\$6,750,899	4/29/2024
618	\$2	GOLD X10	5,098,262	3,243,555	\$1,854,707	4/29/2024

ii. **Upcoming tasks for this period:**

1. July Scratch-Off Launch (7/22/24):
 - \$1 – *Lucky 13*
 - \$5 – *Joker's Wild*
 - \$5 – *Gold Bar Bingo 5th Edition*
 - \$10 – *Money Rush*
 - \$20 – *Millionaire's Club*
2. *Multiplier Family of Games Second-Chance Promotion*: The final drawing for one winner of \$75,000 cash will be held on 7/16/24; as of 6/10/24 15,801,862 entries have been received.

b) **Draw and Monitor Game Products and Promotions**

i. **Key Accomplishments last period:**

1. *Jackpot Reset Promotion* [1/1 – 6/30/24]: Our fifth reset promotion was triggered on 6/4/24 when the Mega Millions \$560 Million jackpot was hit. The promotion began on 6/7/24 and ran for two weeks through 6/20/24 – on an Nth ticket basis during the promotion, players who purchased Mega Millions received a free Powerball ticket.
2. *NASCAR® Powerball Playoff™ Second-Chance Promotion*: The first drawing for seven winners of \$1,000 cash each was held on 6/4/24; 64,670 entries were received. The second drawing for seven winners of \$1,000 cash was held on 6/11/2024; as of 6/10/24 36,582 entries were received. The third drawing for seven winners of \$1,000 cash was held on 6/18/2024; as of 6/10/24 36,582 entries were received.
3. *Mega Millions Team USA Second-Chance Promotion*: Starting on 6/10/24 players could purchase and enter Mega Millions tickets into My Lottery Rewards for a chance to win one of three trips to the Italy (Winter 2026) or Los Angeles (Summer 2028) Olympics, as well as Team USA themed merchandise such as hoodies, backpacks, hats, and tumblers. The first drawing for one trip winner and ten merchandise pack winners will be held on 7/2/24.
4. *Buy Multi-Match, Get Free Cash4Life Promotion* [6/3 – 6/30/24]: Starting on 6/3/24 on an Nth ticket basis, players could receive a free Cash4Life ticket when they purchase Multi-Match.

ii. **Upcoming tasks for this period:**

1. *NASCAR® Powerball Playoff™ Second-Chance Promotion*: The fourth drawing for seven winners of \$1,000 cash will be held on 6/25/2024; as of 6/10/24 36,582 entries have been received. The fifth drawing for seven winners of \$1,000 cash will be held on 7/2/24; as of 6/10/24 36,582 entries have been received.
2. *Mega Millions Team USA Second-Chance Promotion*: The first drawing for one trip winner and ten merchandise pack winners will be held on 7/2/24. The second

drawing for one trip winner and ten merchandise pack winners will be held on 7/23/24.

3. *Jackpot Reset Promotion* [7/1 – 12/31/24]: Pending approval from MUSL and the Mega Millions consortium, from July 1st through December 31st, for two weeks after a Mega Millions jackpot is won, players who purchase Mega Millions will have the chance to win a free \$2 Powerball ticket. Likewise, in the two weeks after a Powerball jackpot is won, players who buy Powerball tickets will have the chance to win a free \$2 Mega Millions ticket. Tickets will be awarded on an Nth ticket basis.
4. *Cash Pop Sampling Promotion* [7/8 – 8/4/24]: Starting on 7/8/24 players purchasing any terminal game could receive a free Cash Pop ticket on an Nth ticket basis. The objective of this promotion is to increase awareness and penetration of the newly launched game, by encouraging core players to adopt the Cash Pop.
5. *Lottery Week Promotion* [7/15 – 7/21/24]: In celebration of NASPL's National Lottery Week, starting on 7/15/24 players can purchase any draw game and on an Nth ticket basis receive a free draw game ticket.
6. *Cash Heatwave Second-Chance Promotion* [8/5 – 9/1/24]: Starting on 8/5/24 players may enter Pick 3, Pick 4, Pick 5 and/or Cash Pop tickets into My Lottery Rewards for a chance to win cash prizes based on the highest recorded temperature at BWI the prior week. As temperatures increase, so do the cash prize amounts.

c) FAST PLAY Products and Promotions

i. Key accomplishments last period:

1. *Home Run Riches Contestant of the Game Second-Chance Promotion*: The third drawing for 29 winners was held on 5/28/24; 175,278 entries were received.
2. *Game Closing Activity*:

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
046	\$1	Slots of Fun Progressive	\$2,281,522	\$1,342,953	\$938,569	4/15/2024

Game	Price	Game Name	Total Sales	Prize Expense	Gross Margin	Final Claim Date
031	\$3	World Championship Poker Progressive	\$12,412,105	\$8,723,928	\$3,688,177	4/21/2024

ii. Upcoming tasks for this period:

1. July FAST PLAY Launch (7/1/24):
 - \$1 – *Burger Bucks*
 - \$5 – *The Game of Life™*
 - \$10 – *Fat Wallet*
 - \$30 – *Gold Rush*
2. *Home Run Riches Contestant of the Game Second-Chance Promotion*: The fourth drawing for 24 winners will be held on 6/25/24; as of 6/10/24 189,567 entries have been received.

3. Creative Services

a) Traditional Advertising

i. Key accomplishments last period:

1. *THE BIG SPIN Scratch-Off*:

- a. *THE BIG SPIN* media plan will continue running through 6/16. The Lottery has been promoting *THE BIG SPIN* winners as they come in and will continue to do so.
2. *CASH POP*:
 - a. *CASH POP* launched on 5/6 with a statewide media campaign which will continue running through the end of the fiscal year.
3. *Team USA*:
 - a. The *Team USA* radio spots were produced and all graphics are finalized. The radio buy was placed and is scheduled to run for 2-weeks in FY'24, 6/10 – 6/23.
4. *FAST PLAY Home Run Riches*:
 - a. The 7th *Inning Stretch* spot was shot in mid-May and production is on schedule to be completed in mid-June to air on MASN-TV.
5. *Ravens Scratch-Offs*:
 - a. The Lottery selected the creative direction for the 2024 campaign as well as the point-of-sale.
 - b. The Lottery is in the process of finalizing the contract with the *Baltimore Ravens* for the 2024 advertising sponsorship.

ii. **Upcoming tasks for this period:**

1. *Ravens*:
 - a. The Lottery to begin the media planning for the 2024 campaign.
 - b. GKV to initiate production of the creative campaign and move the point-of-sale into production.
2. *Game of Thrones*:
 - a. The Lottery is working with GKV and the licensor on the customization of the creative elements available. The Lottery to provide the selection of creative assets and point-of-sale to the licensor.
 - b. The Lottery to initiate media planning with 9Rooftops.
3. *FY'25 Planning*:
 - a. The Lottery to work with GKV and 9 Rooftops to begin mapping out plans for FY'25, focusing on initiatives in the July – December timeframe.
Possible initiatives include:
 1. *CASH POP* – phase II
 2. *Team USA* – continuation
 3. *Ravens Scratch-Offs*
 4. *Game of Thrones Scratch-Off*
 5. *Holiday Scratch-Offs*
 - b. The Lottery to work with 9Rooftops to secure annual contracts for on-going out-of-home commitments.
 - c. The Lottery to begin discussing sponsorship proposals with the *Washington Commanders, University of Maryland, Towson University* and *Morgan State University*.

b) **Web, Digital and Social**

i. **Key accomplishments last period**

1. Promoted the *Team USA* promotion, *NASCAR Powerball Playoff* promotion, *Gold Rush 7s Family of Games Scratch-Offs*, *CASH POP*, high jackpots, and various winners and events through social media and the website.
2. Broadcasted videos of the last three *BIG SPIN* winners on Facebook as "live" videos.
3. Continued to monitor performance of the new Maryland Lottery app and website.

ii. **Upcoming tasks for this period:**

1. Execute social media and digital plans for the new *FAST PLAY* games.
2. Create social media and digital plans for the *Ravens Scratch-Offs* and second-chance promotion.

c) My Lottery Rewards

i. Key accomplishments last period:

1. Monthly average users for the program reached 42,923 for May; up 4% from May of 2023. However, monthly registrations for May were down when compared to the prior month. We have initiated conversations with SG to uncover underlying reasons.
2. *The Big Spin Scratch-Off* lead scratch-off game entries and had the largest number of unique enterers in May.
3. *Pick 4* and *Pick 3* continue to lead draw game entries with over 2 million combined for May.
4. We saw 77,644 MLR mobile app users in May; 75.5% were iOS users and 24.5% were Android. In addition, we had 9,300 new app users in May.

ii. Upcoming tasks for this period:

1. Finalize FY 25 Q1 PFDs.
2. Develop rules for the *Ravens Scratch-Offs* second chance contest.
3. Conduct the third *5,000 Prize Point Giveaway* promotion via social media.
4. Plan and execute acquisition campaign via email.